

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**RECEIVED**

FEB 01 2011

PUBLIC SERVICE  
COMMISSION

IN THE MATTER OF AN ADJUSTMENT            )  
OF GAS RATES OF COLUMBIA GAS OF        )  
KENTUCKY, INC.                                )        CASE NO. 2009-00141

---

---

**ENERGY EFFICIENCY AND CONSERVATION RIDER REPORT  
OF COLUMBIA GAS OF KENTUCKY, INC.**

---

---

On September 14, 2009, the parties to this case filed a Stipulation and Recommendation (“Stipulation”). By Order dated October 26, 2009 the Commission approved the Stipulation.

Paragraph 4 of the Stipulation stated, in pertinent part,

Columbia agrees to establish a DSM Collaborative in January 2010 in order to develop a second-phase DSM program, including DSM measures targeted for low-income customers. Columbia will file with the Commission a second-phase DSM proposal and corresponding Energy Efficiency and Conservation Rider adjustment proposal by August 2, 2010. All parties to this case will be invited to participate in the DSM Collaborative.

Columbia established the Demand Side Management (“DSM”) Collaborative as agreed, and on August 2, 2010 submitted its Report to the Commission pursuant to the October 26, 2009 Order. As reported, the consensus of the DSM Collaborative was that additional time was needed to fully implement the Low-Income Furnace Replacement program and the other new DSM programs and until the programs are fully implemented, with some additional time for analysis, it would be premature to now propose modifications or additional phases to the DSM programs. Thus, Columbia has proposed no changes to the Energy Efficiency and Conservation Rider.

As of, October 27, 2010, Columbia’s Low-Income Furnace Replacement program, Home Energy Audit program, and High Efficiency Appliance Rebate program were fully implemented

and operational as Columbia's WarmWise Energy Saving Solutions. Pursuant to Sheet 51d of Columbia's tariff, the Energy Efficiency/Conservation Program has an October year-end and the Energy Efficiency/Conservation Program Recovery Component shall be updated annually becoming effective with meter readings beginning with Company's February Unit 1 bills. Columbia's report of the Energy Efficiency/Conservation Program Balancing Adjustment for the period ending October 31, 2010 is attached hereto, but due to the timing of full implementation near the end of the reporting period, and thus very limited amount to report, there is no change to the recovery component from that authorized by the Commission in its previous Order.

Dated at Columbus, Ohio, this 1st day of February, 2011.

Respectfully submitted,

**COLUMBIA GAS OF KENTUCKY, INC.**

By: Stephen B. Seiple (gme)  
Stephen B. Seiple  
Assistant General Counsel

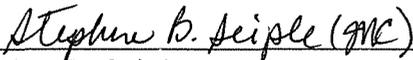
Stephen B. Seiple, Assistant General Counsel  
Brooke E. Leslie, Counsel  
200 Civic Center Drive  
P.O. Box 117  
Columbus, Ohio 43216-0117  
Telephone: (614) 460-4648  
Fax: (614) 460-6986  
Email: sseiple@nisource.com  
Email: bleslie@nisource.com

Richard S. Taylor  
225 Capital Avenue  
Frankfort, KY 40601  
Telephone: (502) 223-8967  
Fax: (502) 226-6383  
Email: attysmitty@aol.com

Attorneys for  
**COLUMBIA GAS OF KENTUCKY, INC.**

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing Energy Efficiency and Conservation Rider Report was served upon all parties of record by regular U. S. mail this 1st day of February, 2011.

  
\_\_\_\_\_  
Stephen B. Seiple  
Attorney for  
**COLUMBIA GAS OF KENTUCKY INC.**

**SERVICE LIST**

Hon. Iris G. Skidmore  
Bates & Skidmore  
415 W. Main Street, Suite 2  
Frankfort, Kentucky 40601

Hon. Dennis G. Howard, II  
Hon. Lawrence W. Cook  
Office of the Attorney General  
1024 Capitol Center Drive, Suite 200  
Frankfort, Kentucky 40601-8204

Hon. David F. Boehm  
Boehm, Kurtz & Lowry  
36 E. Seventh Street, Suite 1510  
Cincinnati, Ohio 45202

Hon. William H. May, III  
Hon. Matthew R. Malone  
Hurt, Crosbie & May PLLC  
127 West Main Street  
Lexington Kentucky 40507

Hon. Vincent A. Parisi  
Interstate Gas Supply, Inc.  
5020 Bradenton Avenue  
Dublin, Ohio 43017

Hon. Tom FitzGerald  
Hon. Liz D. Edmondson  
Kentucky Resources Council, Inc.  
P.O. Box 1070  
Frankfort, Kentucky 40602-1070

Hon. W. L. Wilson  
Leslye M. Bowman  
Lexington-Fayette Urban County Government  
200 East Main Street  
Lexington, Kentucky 40507

Hon. John M. Dosker  
Stand Energy Corporation  
1077 Celestial Street, Suite #110  
Cincinnati, Ohio 45202-1629

Hon. Robert M. Watt, III  
Stoll Keenon Ogden PLLC  
300 West Vine Street  
Suite 2100  
Lexington, Kentucky 40507-1801

Hon. David J. Barberie  
Lexington-Fayette Urban County Government  
Department of Law  
P.O. Box 34028  
200 East Main Street  
Lexington, Kentucky 40588

COLUMBIA GAS OF KENTUCKY, INC.  
ENERGY EFFICIENCY/CONSERVATION PROGRAM BALANCING ADJUSTMENT  
REPORT FOR THE PERIOD ENDING  
OCTOBER 31, 2010

Columbia Gas of Kentucky, Inc.  
 Energy Efficiency/Conservation Program  
 Year End Program Results

Program Year End: October 31, 2010

**EECPCR - Energy Efficiency/Conservation Program Cost Recovery**

<b>Actual Program Costs</b>			
Energy Audit Program	\$	53,189	
High-Efficiency Appliance Rebate Program	\$	189	
Furnace Replacement Program	\$	58,246	
CKY Program Administration	\$	-	
<b>Total Program Costs</b>			<b>\$ 111,623</b>
<b>TOTAL EECPCR</b>			<b>\$ 111,623</b>

**EECPLS - Energy Efficiency/Conservation Program Lost Sales**

**Current Year Program Participation**

	<b># of Participants</b>	<b>Mcf Conserved</b>	<b>Distribution Charge</b>	<b>Lost Sales</b>
<b>High Efficiency Heating Savings</b>				
Furnace Replacements	24	158.4	\$ 1,8715	\$ 296
<b>Energy Audits</b>				
Residential Energy Audits	183	549.0	1,8715	\$ 1,027
<b>Total Current Year Lost Sales</b>	<b>207</b>	<b>707.4</b>		<b>\$ 1,323</b>

**Cumulative Prior Years Participation**

<b>Total Prior Year(s) Lost Sales</b>	<b>-</b>	<b>-</b>	<b>1,8715</b>	<b>\$ -</b>
<b>TOTAL EECPLS</b>	<b>207</b>	<b>707</b>		<b>\$ 1,323</b>

**EECPI - Energy Efficiency/Conservation Program Incentive**

Actual Program Benefits (Schedule C)	\$	33,069
Less: Actual Program Costs	\$	(111,623)
<b>Net Resource Savings</b>	\$	<b>(78,554)</b>
Incentive Percentage		15%
<b>EECPI</b>	\$	<b>-</b>

**EECPBA - Energy Efficiency/Conservation Program Balancing Adjustment**

Actual Recovery of Prior Year EECPCR 11/1/09 through 10/31/10	\$	1,123,458
Prior Year Amount to Recover	\$	1,126,881
<b>EECPBA Under (Over) Recovery</b>	\$	<b>3,423</b>
Interest (1)	\$	8
Total Including Interest	\$	3,431
Estimated Bills		1,496,096
<b>EECPBA Rate</b>		<b>0.00</b>

(1) Interest equal to the average of the 3-month Commercial Paper Rate for the immediately preceding 12-month period. Interest for the period is .22%

Columbia Gas of Kentucky, Inc.  
 Energy Efficiency/Conservation Program  
 Schedule A - Current Year Participation Detail

Schedule A

Program Year End: October 31, 2010

	Program	Mcf Conservation (1)		Amount	Total
		Participants	Per Participant		
<b><u>A. Furnace Replacement Program</u></b>					
Furnace Replacement 1	1	6.6	6.6	\$ 2,200	\$ 2,200
Furnace Replacement 2	1	6.6	6.6	\$ 2,200	\$ 2,200
Furnace Replacement 3	1	6.6	6.6	\$ 2,200	\$ 2,200
Furnace Replacement 4	1	6.6	6.6	\$ 2,000	\$ 2,000
Furnace Replacement 5	1	6.6	6.6	\$ 2,200	\$ 2,200
Furnace Replacement 6	1	6.6	6.6	\$ 2,100	\$ 2,100
Furnace Replacement 7	1	6.6	6.6	\$ 2,150	\$ 2,150
Furnace Replacement 8	1	6.6	6.6	\$ 2,200	\$ 2,200
Furnace Replacement 9	1	6.6	6.6	\$ 2,200	\$ 2,200
Furnace Replacement 10	1	6.6	6.6	\$ 2,150	\$ 2,150
Furnace Replacement 11	1	6.6	6.6	\$ 2,200	\$ 2,200
Furnace Replacement 12	1	6.6	6.6	\$ 1,735	\$ 1,735
Furnace Replacement 13	1	6.6	6.6	\$ 2,200	\$ 2,200
Furnace Replacement 14	1	6.6	6.6	\$ 2,200	\$ 2,200
Furnace Replacement 15	1	6.6	6.6	\$ 2,100	\$ 2,100
Furnace Replacement 16	1	6.6	6.6	\$ 2,200	\$ 2,200
Furnace Replacement 17	1	6.6	6.6	\$ 2,100	\$ 2,100
Furnace Replacement 18	1	6.6	6.6	\$ 2,200	\$ 2,200
Furnace Replacement 19	1	6.6	6.6	\$ 2,100	\$ 2,100
Furnace Replacement 20	1	6.6	6.6	\$ 1,732	\$ 1,732
Furnace Replacement 21	1	6.6	6.6	\$ 2,200	\$ 2,200
Furnace Replacement 22	1	6.6	6.6	\$ 2,200	\$ 2,200
Furnace Replacement 23	1	6.6	6.6	\$ 2,200	\$ 2,200
Furnace Replacement 24	1	6.6	6.6	\$ 2,200	\$ 2,200
<b><u>B. Appliance Rebates</u></b>					
<b><u>C. Energy Audits</u></b>					
Residential Energy Audits	183	3.00	549.0	N/A	-
<b>Total - A. B. C.</b>	<b>207</b>		<b>707.4</b>		<b>51,167</b>

(1) Estimates based on budget and guidelines as submitted in Case No. 2009-00141

Columbia Gas of Kentucky, Inc.  
 Energy Efficiency/Conservation Program  
 Schedule B - Cumulative Prior Years Program Participation

Schedule B

Program Year End: N/A

	2009	Cumulative Total	
<b>Program Participants</b>			
<u><b>A. Furnace Replacements</b></u>			
	-	-	-
	-	-	-
	-	-	-
<u><b>B. Appliance Rebates</b></u>			
	-	-	-
	-	-	-
	-	-	-
<u><b>C. Energy Audits</b></u>			
1. Residential Energy Audits	-	-	-
<b>Total</b>	-	-	-
<b>Total Conservation Mcf</b>			
<u><b>A. Furnace Replacements</b></u>			
	-	-	-
	-	-	-
	-	-	-
<u><b>B. Appliance Rebates</b></u>			
	-	-	-
	-	-	-
	-	-	-
<u><b>C. Energy Audits</b></u>			
1. Residential Energy Audits	-	-	-
<b>Total</b>	-	-	-
<b>Total Lost Sales</b>	-	-	-

Columbia Gas of Kentucky, Inc.  
 Energy Efficiency/Conservation Program  
 Schedule C - Calculation of Program Benefits

Schedule C

Program Year End: October 31, 2010

Current Year Conservation (Mcf) 707.4 per Schedule A

Year	(1) Mcf Conserved	(2) Gas Cost	Commodity Savings
2011	707.4	\$ 6.9981	\$ 4,950
2012	707.4	\$ 6.9981	\$ 4,950
2013	707.4	\$ 6.9981	\$ 4,950
2014	707.4	\$ 6.9981	\$ 4,950
2015	707.4	\$ 6.9981	\$ 4,950
2016	707.4	\$ 6.9981	\$ 4,950
2017	707.4	\$ 6.9981	\$ 4,950
2018	707.4	\$ 6.9981	\$ 4,950
2019	707.4	\$ 6.9981	\$ 4,950
2020	707.4	\$ 6.9981	\$ 4,950
<b>Total Commodity Savings</b>	<b>6,366.6</b>		<b>\$ 49,505</b>
Discount Rate			8.10%
<b>Program Benefits</b> (present value of commodity savings)			<b>\$33,069</b>

(1) Estimated Mcf conserved and Gas Cost

(2) Gas Cost is Columbia's GCR rate effective at the program year-end (Case No. 2010-00424).